

PrivateProperties

HOLIDAY HOMES

To: Economics and Industry Standing Committee
Legislative Assembly of Western Australia
Parliament House
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From: Mr David Moyes
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Private Properties Submission into Short Term Accommodation Government Inquiry

Thank you for the opportunity to provide a submission in to the regulation of short stay accommodation industry in Western Australia.

About Us

Established in 1994, Private Properties manages a portfolio of over 100 holiday homes in the south west of Western Australia. From marketing and booking services, to cleaning, linen hire and property maintenance, we provide a complete end to end service.

We are a professional property management company, employing over 30 local staff with a passion for the region and a dedication to delivering unique, private and quality experiences to visitors from intrastate, interstate and overseas. Last year we welcomed over 12000 guests from 21 different countries.

Private Properties does not rely on online global platforms for our bookings. These tech behemoths take offshore 10-15% of the gross value of every booking made whereas we are 100% local and all of the income generated is spread throughout the community. From restaurants to retail shops, wedding celebrants to taxi companies. We are fiercely independent and proud to be a strong local business. Supporting our community is a big part of everything we do.

Background

The facilitation of growth of unregulated accommodation through online distribution channels such as Airbnb is obviously very concerning to a business such as Private Properties. We see ourselves as an integral part of the mainstream tourism sector and offer an experience that many people are looking for. We are not worried about the competition

created by these platforms - our concern is over unfair and unreasonable regulation of professional businesses like ours, reverse disruption if you like, and the unabated proliferation of properties not regulated or professionally managed.

I hope through this inquiry that some clarity can be achieved and we can get on with doing what we do best. That's providing full service, high quality holiday accommodation in some of Western Australia's most beautiful tourism hot spots.

A Federal, State and Local coordinated approach is required to address concerns related to the rampant expansion of unregulated, unprofessional, short-stay accommodation providers in Western Australia.

The ease at which unsophisticated market participants can enter the market exacerbates a range of problems associated with unregulated short-stay accommodation. Competition in the accommodation space is healthy and welcomed, resulting in innovation and better services and value for customers. However, the playing field must be level – defined and well regulated.

A state-wide policy to regulate short-stay accommodation is necessary to provide guidance to local governments and ensure the enforcement of regulations consistently across local governments.

Impact on Tourism and the Professional Short-Stay Accommodation Industry:

- **Employment and Training Opportunities**

Our business contributes significantly to the creation of jobs and invests substantially in its workforce through internal and external training opportunities. In comparison to other industries, the accommodation industry is very labour intensive. Our direct and indirect employment contribution to the economy is extensive.

- **Reputation of WA as a tourism destination**

The short stay accommodation industry is well regarded and regulated from a safety and quality perspective. WA as a tourism destination is regarded as one of the safest places in the world to travel.

Self-regulation with mechanisms such as user reviews (peer to peer) in platforms such as Airbnb does not suffice to protect the consumer's interests. The proliferation of unregulated short-stay accommodation and the potential for issues related to quality of properties and safety of the accommodation undermines the destination's reputation as a high quality and safe destination. The perception of safety is essential to attracting high-yield important segments of the tourism market.

- **Investment into tourism and hospitality industry**

A lack of investor confidence in the tourism and hospitality market has far-reaching implications for WA. The economic health of the region, especially the Margaret River Region, relies to a large extent on the property investment industry. Businesses

like builders, trades people and many other associated services that exist on the back of private and short stay holiday homes. The growth of unregulated short-stay accommodation may lead to a decrease in confidence in the market and distort the supply and demand fundamentals used by potential property investors to make investment decisions. This includes residential property and hotel and resort developments. Without a mechanism to register the existence of unregulated short-stay accommodation, it is difficult to access accurate levels and mix of supply and make well informed investment decisions. The real estate industry is virtually blind to the Holiday Home Registration process and I would suggest an education campaign is required urgently as the misinformation they peddle to get a sale is often completely incorrect and this could lead to major problems in the future.

- **Consumer protection and safety**

We ensure all of our properties go through the registration process (where applicable) before listing. We have comprehensive business insurance policies and ensure our owners also have comprehensive insurance policies for their properties.

Lack of safety standards and insurance requirements for unregulated, short-stay accommodation leave guests and hosts exposed. The success of third-party booking sites such as Airbnb means the chances of something happening are far greater than ever before.

- **Neighbourhood amenity and quality of life**

Unregulated short-stay accommodation can negatively impact on communities and neighbourhoods. We are part of, and engage at every level with our communities. We make a point of introducing ourselves to our property's neighbours and work with them to ensure their amenity is not affected. Our properties are backed by high quality professional property management and we are on call 24/7 for our guests, owners and neighbours. Holiday homes poorly managed, or managed from a distance are creating problems for legitimate operators like ourselves.

Areas of reform that should be considered:

- Enforce online booking platforms (such as Airbnb) to follow the same regulations as other tourism accommodation providers must to adhere to.
- Regulations need to be standardised, so that its fair and reasonable to all.
- Additional resources, at the Shire level, provided to enforce regulations rather than just applying these are the time of Registration.
- Additional regulation and restriction of legitimate holiday homes will only encourage people and business who would normally do the right thing, to act illegally.
- Holiday Homes should only be considered for registration in areas where it is appropriate.

In Summary

There are many implications from unregulated short-stay accommodation on all legitimate accommodation providers and the tourism industry generally in WA. While all sources of unregulated short-stay accommodation are at fault, Airbnb, due to its success, scale and accessibility, is at the forefront of the unprecedented growth.

Rather than local councils tracking down unregistered properties one by one, I believe the best way forward is to make all businesses operating online booking services, like Airbnb and other booking platforms including HomeAway and Booking.com, should be made to play by the same rules as legitimate local operators like ourselves. That means proof of registration should be required to list on these sites as it is with ours.

Kind regards,

David Moyes
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Private Properties Australia Pty Ltd